



House of Representatives

General Assembly

File No. 26

February Session, 2022

House Bill No. 5171

House of Representatives, March 16, 2022

The Committee on Planning and Development reported through REP. MCCARTHY VAHEY of the 133rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY RECEIVERSHIP.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 8-169aa of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2022*):

4 (b) (1) [In any municipality with a population of thirty-five thousand
5 or more, a] Any party in interest may file a petition for the appointment
6 of a receiver to take possession and undertake rehabilitation of a
7 building within such municipality, which petition shall be filed in the
8 superior court for the judicial district in which such building is located.
9 The proceeding on the petition shall constitute an action in rem.

10 (2) (A) The petition shall include a sworn statement of the petitioner
11 that, to the best of his or her knowledge, the building meets the
12 conditions described in subdivision (2) of subsection (c) of this section

13 on the date the petition is filed. The petition shall also include, to the
 14 extent available to the petitioner after his or her reasonable efforts to
 15 obtain the following information, (i) a copy of any citation or order
 16 charging the owner of the building with being in violation of municipal
 17 code requirements or determining the building to be a public nuisance,
 18 blighted or unfit for human occupancy or use, (ii) a recommendation for
 19 appointment as receiver for the building, (iii) a preliminary plan
 20 detailing (I) initial cost estimates of rehabilitation of the building for
 21 purposes of compliance with the applicable municipal code and plan for
 22 the area adopted by the municipality in which the building is located,
 23 and (II) anticipated funding sources, and (iv) a schedule of each
 24 mortgage, lien or other encumbrance on the building.

25 (B) The petition may include any other property adjacent to the
 26 building, provided (i) such other property is owned by the same owner
 27 as the building, and (ii) the building and each such property are used
 28 for a single or interrelated purpose.

29 (3) A true copy of the petition shall be served on the owner of the
 30 building and each lienholder of record, including any municipality,
 31 unless such municipality is the petitioner, in the manner provided by
 32 section 52-57. In addition, the petitioner shall record a notice of lis
 33 pendens with the clerk of such municipality, in the manner provided by
 34 section 52-325.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	8-169aa(b)

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 23 \$	FY 24 \$
Various Municipalities	Grand List Expansion	None	Potential

Explanation

The bill expands, to municipalities with a population of less than 35,000, the process for the Superior Court to appoint a steward to rehabilitate abandoned, blighted property.

To the extent that the bill results in the improvement of blighted property in such municipalities, there would be a grand list expansion. A grand list expansion results in a revenue gain, given a constant mill rate.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal mill rates and grand lists.

OLR Bill Analysis**HB 5171*****AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY RECEIVERSHIP.*****SUMMARY**

Current law provides a judicial process to appoint a receiver to rehabilitate and dispose of abandoned residential, commercial, or industrial properties in municipalities with populations of at least 35,000. This bill removes the population limitation, making the process available in any municipality.

EFFECTIVE DATE: October 1, 2022

BACKGROUND***Abandoned and Blighted Property Receiverships***

Under existing law, the Superior Court may appoint a receiver for a residential, commercial, or industrial building if its owner fails to maintain it in accordance with applicable municipal codes. Lienholders and individuals and entities with development capacity may seek to be appointed as the receiver and, once appointed, are granted the power to rehabilitate the property pursuant to a court-approved plan. Once the property is rehabilitated, the court may approve its sale, free of any encumbrances; any sale proceeds must be distributed in accordance with the law (CGS § 8-169aa).

Abandoned Property

A building is “abandoned property,” and thus eligible to be overseen by a receiver, only if:

1. in the 12 months immediately preceding the petition’s filing, it has not been legally occupied;

2. the owner fails to present compelling evidence that he or she has either actively marketed the building or only recently acquired the property;
3. there is no pending foreclosure action by an individual or nongovernmental entity; and
4. the court finds that at least three problematic building conditions exist, which the law specifies (e.g., it is an attractive nuisance to children or creates potential health and safety hazards due to certain conditions) (CGS § 8-169aa).

Covered Buildings and Properties

Under the law, “buildings” are structures and appurtenant land, including vacant lots on which a structure was demolished. Receivership petitions may include adjacent buildings if they share an owner and the properties are used for a single or interrelated purpose (CGS § 8-169aa). (Certain federal government properties and properties owned by U.S. Armed Forces or reserve members are excluded from the definition.)

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 22 Nay 4 (03/04/2022)